

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

JUN 25 2004

DAVID J. MALAND, CLERK

BY
DEPUTY

HALLIBURTON ENERGY SERVICES §
Plaintiff §

vs. §

SMITH INTERNATIONAL INC. §
Defendant §

CASE NO. 4:02-CV-269

VERDICT FORM

In answering these questions, you are to follow all of the instructions I have given you in the Charge of Court.

- 1A. Did Halliburton prove by a preponderance of the evidence that Smith literally infringed the claims of the patents listed below?
- 1B. Did Halliburton prove by clear and convincing evidence that Smith's infringement, if any, was willful?

Answer "Yes" or "No" as to each claim in column 1A. For each claim you answer "Yes" in column 1A, in column 1B answer "Yes" or "No." If you answer "No" in column 1A, do not answer the corresponding column 1B.

1A
(Literal Infringement)

1B
(Willful Infringement)

'225 Patent:

Claim 1: Y

N

Claim 2: Y

Y

Claim 8: Y

Y

1A
(Literal Infringement)

1B
(Willful Infringement)

'262 Patent:

Claim 1:	<u> X </u>	<u> X </u>
Claim 9:	<u> X </u>	<u> X </u>
Claim 15:	<u> X </u>	<u> X </u>
Claim 18:	<u> X </u>	<u> X </u>

'577 Patent:

Claim 6:	<u> X </u>	<u> X </u>
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2. Did Smith prove by clear and convincing evidence that any of the listed claims of the '225 patent are invalid for indefiniteness?

Answer "Yes" or "No" for each listed claim:

Claim 1: NO

Claim 2: NO

3. Did Smith prove by clear and convincing evidence that any of the listed claims of the patents listed below are invalid as anticipated?

Answer "Yes" or "No" for each listed claim:

'225 Patent

Claim 1: No

Claim 2: No

'577 Patent

Claim 6: No

4. Did Smith prove by clear and convincing evidence that, any of the listed claims of the patents listed below are invalid as being obvious to a person of ordinary skill in the art at the time the application was filed?

Answer "Yes" or "No" for each listed claim:

'225 Patent

Claim 1: No

Claim 2: No

Claim 8: No

'262 Patent

Claim 1: No

Claim 9: No

Claim 15: No

Claim 18: No

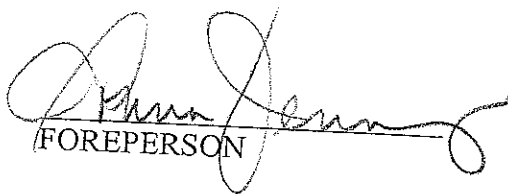
'577 Patent

Claim 6: NS

5. What sum of money, if paid now in cash, do you find should be awarded to Halliburton as damages adequate to compensate it for the patent claims you have found to have been infringed? Only award damages for those claims you find infringed and valid. Do not award damages for claims that you did not find infringed and valid.

Answer: \$ 24 million

6-25-04
DATE


FOREPERSON